

BILL ANALYSIS

Senate Research Center
87R11944 JES-D

S.B. 1444
By: Taylor
Education
4/21/2021
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

When researching methods to help teachers and school district staff save money it was noted that some of the school districts that have opted out of TRS Active Care have chosen health care options that save employees money on premiums and deductibles. The numbers illustrate that families save more on health plans outside TRS Active Care.

S.B. 1444 is an effort to add local control to the health care insurance options.

Interested parties note that certain school districts are required to participate in the uniform group coverage program established under the Texas School Employees Uniform Group Health Coverage Act and contend that this lack of choice leads to high costs and reduced benefits for teachers. S.B. 1444 seeks to address this issue by removing the requirement that these districts participate in the program, authorizing a school district to elect not to participate in the program, and providing for a regional rating method for determining premiums.

As proposed, S.B. 1444 amends current law relating to participation in and rates for coverage provided under the uniform group coverage program for active school employees.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Teacher Retirement System of Texas in SECTION 1 (Section 1579.056, Insurance Code) of this bill.

Rulemaking authority previously granted to the Teacher Retirement System of Texas is modified in SECTION 2 (Section 1579.152, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 1579, Insurance Code, by adding Section 1579.056, as follows:

Sec. 1579.056. REGIONAL RATING AUTHORIZED. Authorizes the Teacher Retirement System of Texas (TRS), notwithstanding any other provision of Chapter 1579 (Texas School Employees Uniform Group Health Coverage), by rule to establish a regional rating method for determining premiums charged in different regions of the state for the benefits provided under a plan of group coverage established under the uniform group coverage program (program).

SECTION 2. Amends Section 1579.152, Insurance Code, as follows:

Sec. 1579.152. New heading: PARTICIPATION OF SCHOOL DISTRICTS AND CERTAIN RISK POOLS. Provides that, effective September 1, 2021, a school district or a risk pool established under Chapter 172 (Texas Political Subdivisions Uniform Group Benefits Program), Local Government Code, as provided by Section 22.004 (Group Health Benefits for School Employees), Education Code, that is in existence on January 1, 2021, and whose members are school districts, is authorized to elect to participate in the program. Requires a school district or risk pool that elects to participate under this section to apply for participation in the manner prescribed by TRS by rule. Deletes

existing text providing that effective September 1, 2005, a school district with more than 500 employees may elect to participate in the program.

SECTION 3. Amends Subchapter D, Chapter 1579, Insurance Code, by adding Section 1579.155, as follows:

Sec. 1579.155. ELECTION NOT TO PARTICIPATE. Authorizes a school district or risk pool established under Chapter 172, Local Government Code, as provided by Section 22.004, Education Code, to elect not to participate in the program, notwithstanding any previous election or requirement to participate.

SECTION 4. Repealer: Section 1579.151 (Required Participation of School Districts with 500 or Fewer Employees), Insurance Code.

Repealer: Section 1579.153 (Participation by Certain Risk Pools), Insurance Code.

SECTION 5. Effective date: September 1, 2021.